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"Kosovo: Current and Future Status"

Introduction

Chairman Hyde, Congressman Lantos, distinguished Members of the Committee, thank you for the invitation to appear before you to discuss the current situation in Kosovo and our vision for progress and peace there in the coming months.

2005 is an important year for the people of the Balkans. They and we will commemorate on July 11 the tenth anniversary of the horrible massacre at Srebrenica where nearly 8,000 men and boys were killed. In November, we will observe the tenth anniversary of the Dayton Peace Accords. In Kosovo, nearly all agree the time has come for progress in determining its political future

President Bush and Secretary Rice place a high priority in having the U.S. help to lead international efforts to stabilize the Balkans, ensure that the evils of the 1990's are not repeated, and bring the perpetrators of these horrors to justice. We need to finish the work of ending the divisive strife that has prevented the countries of the Balkans from advancing politically and economically in line with their European neighbors. We and our Allies are entering a new stage in our policy toward the Balkans, one that will accelerate the region's integration into the European family and Euro-Atlantic institutions. Secretary Rice has asked me to travel to Serbia and Montenegro and Kosovo, as well as Bosnia-Herzegovina, early next month to reaffirm the U.S. commitment to help resolve the problems of the region and urge local leaders to make greater progress on outstanding issues.

To succeed in our overall efforts in the Balkans, we must work hard to help the people of Kosovo find greater security, ethnic reconciliation and peace in 2005. Kosovo is perhaps the most difficult remaining issue in the region. We believe, as the parties themselves do, that the status quo of Kosovo's undefined future is not sustainable or desirable. It satisfies no one and leaves open the possibility of renewed ethnic violence. Failure to address Kosovo's status in the near term risks undoing much of what we have achieved in the Balkans over the last ten years. Resolving Kosovo's future status in a way that also brings Serbia and Montenegro fully into the community of democratic nations is an administration priority that will allow us to advance our goals for the entire region, and put the legacy of the bloody break-up of Yugoslavia firmly in the past.

2005 is a year of decision for Kosovo. Together with the United Nations and our European partners, we hope to launch a process to determine Kosovo's future status. Getting there will depend on Kosovo's leaders continuing their progress on a set of UN-endorsed standards that are designed to ensure the presence of basic values of multi-ethnicity, democracy, and market-orientation while placing Kosovo decisively on the path to future integration with Europe. No matter what Kosovo's final status might be, these values are at the heart of our effort to move the Balkans back onto the path of reform and progress that most of the rest of the central

and eastern European states have already so successfully navigated since the end of the Cold War

Agreeing on a future status for Kosovo will not be easy. Belgrade has set forth a position of "more than autonomy, but less than independence" for Kosovo. Kosovo's Albanian population insists on immediate and unconditional independence. Finding common ground between these positions will be a major challenge, but we believe that with U.S. leadership and trans-Atlantic cooperation, we can achieve a solution that produces long term stability for the Balkans by moving the whole region into the Euro-Atlantic family of nations.

Current Situation

Six years ago, the United States led the NATO Allies in a successful campaign to end Slobodan Milosevic's reign of terror in Kosovo and halt his attempted ethnic cleansing of the Albanian population of Kosovo. Milosevic manipulated Serb history in Kosovo to support his rise to power and was convinced that the world thought as little of its Albanian population as he did. Only force could stop his murderous plans, so NATO took action. Following the military air campaign and the forced withdrawal of Serb security forces, Kosovo was effectively made a ward of the international community – administered by the UN and secured by NATO – with its future status left to later determination. We believed that the divisions in the region would not permit a negotiation on Kosovo's future status at that time. Today the UN continues to administer Kosovo and NATO troops continue to provide security.

Having been freed of Milosevic's oppressive rule, in the aftermath of the air campaign, sadly too many in Kosovo's Albanian population decided to seek their own retribution against their Serb neighbors. According to some estimates, since 1999 over 100,000 Serbs and Roma have been driven from or fled their homes in Kosovo. The United States and our NATO Allies made clear then, and continue to reaffirm, that NATO did not go to war to save the Albanians from ethnic cleansing only to see them mete out the same fate to the Serbs. Failure to secure a multi-ethnic Kosovo would be a failure of our efforts over the last six years and indeed, the last decade.

The UN and NATO remain committed to the tasks we assumed in 1999, under UN Security Council Resolution 1244. Today, the very able and effective Special Representative of the Secretary General (SRSG) Soren Jessen-Petersen of Denmark leads the UN Mission in Kosovo (UNMIK). An equally able retired American Foreign Service Officer, Ambassador Larry Rossin, assists as his principal deputy. The troops of NATO's Kosovo Force (KFOR) have drawn down over time as the security situation has improved. From a peak of 40,000 troops in late 1999, today KFOR has around 18,000 troops on the ground, from 34 countries, who ensure a safe and secure environment for all of Kosovo's ethnic groups. From an original deployment of nearly 15,000 U.S. troops, today roughly 1800 Americans serve as an essential part of KFOR. President Bush has made clear that having gone in to Kosovo with our Allies, we will stay there with them until the job is done. We seek, of course, to hasten the day when peace is self-sustaining and our troops can come home.

Until that day comes, we will continue to lead efforts to ensure that KFOR is the most capable and effective force it can be. From my time at NATO, I well know SACEUR General Jones' commitment to this goal. We support General Jones' proposals to restructure KFOR to improve the tooth to tail ratio and are urging Allies to focus on capabilities, not numbers, in assessing KFOR strength.

Since 1999, Kosovo and the international community have made progress on constructing the foundations of lasting stability. Kosovo has held four successful elections, drafted a constitutional framework, established provisional governmental institutions, and created a professional and multi-ethnic police force. The UN has been able to hand over greater responsibility for governance to the provisional government. Last October, Kosovo held its second set of legislative elections, which were locally administered. The elections were assessed as free and fair by the international community, but were marred by the non-participation of Kosovo's Serbs, pressured by Belgrade not to join the democratic process. Following the elections, a coalition government was formed with Ibrahim Rugova as President and Ramush Haradinaj as Prime Minister. In its first 100 days, the Haradinaj government achieved significant progress on implementing the UN-endorsed standards.

In March, Ramush Haradinaj was indicted by the International Criminal Tribunal for the former Yugoslavia (ICTY) for crimes allegedly committed while a commander in the Kosovo Liberation Army (KLA). He surrendered peacefully, and voluntarily turned himself into the tribunal. The absence of violence and smooth transition to a new government led by his replacement Prime Minister Bajram Kosumi were encouraging signs of Kosovo's growing political maturity. Since March, Prime Minister Kosumi has worked to maintain much of his predecessor's momentum on standards implementation.

While this momentum was cause for optimism, the appalling violence of March 2004, which claimed 19 lives was deeply disturbing. Members of Kosovo's Albanian community largely targeted Kosovo's Serb community, demonstrating that we remained far from our goal of a stable and multi-ethnic Kosovo. The strong international condemnation and demand for action was a wake up call to many of Kosovo's Albanian leaders that the international community was serious about ensuring multi-ethnicity. Since the violence, we and NATO have reaffirmed our determination to protect the Serb community, its churches, monasteries, and historic sites. I had a chance to make this point directly to an impressive delegation from the Serbian Orthodox Church that I met last month, a group that included Father Irinej who will speak to you later today.

Since March 2004 Kosovo has made some progress in many of the technical aspects of developing a multi-ethnic society. For example, the Assembly passed an Anti-Discrimination Law and the government is now training judges and prosecutors on its enforcement. The government developed an action plan for the protection of Kosovo's multi-ethnic cultural heritage and is completing an inventory of all its cultural heritage sites. The government set aside ten and a half million Euros of its own funds to support the return of displaced persons, focusing on those, mostly Serbs, displaced by the March 2004 violence. And, a majority of municipalities drafted local strategies to encourage returns and appointed municipal returns officers. These are encouraging initiatives, but they are only the beginning. Full implementation of the detailed work plan for the standards is a major undertaking that will take years, not months. We will continue to assist the people of Kosovo in this effort, which will contribute to their ability to meet the rigorous membership criteria of European and Euro-Atlantic institutions.

The key indicator of progress, however, will be the commitment of Kosovo's Albanians to create a multi-ethnic Kosovo that fully includes Serbs, setting the conditions for those who fled to return and live in safety. As our outstanding chief of mission in Pristina, Phil Goldberg, said, "The road signs will be in Serbian as well as Albanian. The question is whether they point the way for displaced Serbs to return to their homes, or direct them out of Kosovo." In recent months, Kosovo Albanian leaders have taken positive steps in this area. In February, then Prime

Minister Haradinaj and municipal leaders issued a joint declaration urging the displaced Serbs to return and encouraging Kosovo Albanians to accept and implement their special responsibilities towards Kosovo's minority communities. The Minister of Local Government and the Minister of Returns, himself a Serb, traveled to displaced persons camps to encourage returns. Kosovo Serb leaders told Contact Group representatives visiting in April that there had been no major incidents threatening their freedom of movement in the preceding three months. The Albanian Minister of the Environment traveled to the Decani monastery, one of the most prominent Serbian Orthodox sites in Kosovo, on Orthodox Easter and addressed the church leadership in Serbian with a message of reconciliation.

Now Kosovo's leaders must institutionalize these efforts and ensure their continuation, most significantly by decentralizing government. By moving control of issues such as health, education, law enforcement and justice to the local level, local communities can have control of the elements of daily life most essential to preserving their identity and rights. Decentralization will benefit all of Kosovo's citizens, but will be especially important for advancing the rights of Kosovo Serbs as well as Roma and other minorities, and for encouraging returns. Displaced Serbs want to know that they will have a voice in the issues that matter to them most and the security to exercise their rights before deciding to return. At the same time, all of these local structures must be accountable to Pristina, not Belgrade. The parallel, Belgrade-funded institutions, most notably in Mitrovica, must be dismantled or integrated into Kosovo's structures.

As we urge Albanians and Serbs in Kosovo to take the hard decisions to create a multi-ethnic society, the United States has provided significant support to these efforts. The United States is providing roughly \$75 million in assistance to Kosovo under the Support for Eastern European Democracies (SEED) program. About half of that money goes to security though the UN civilian police mission and the other half is targeted to assist with implementing the standards, especially those focused on multi-ethnicity. We have offered to make \$1 million of those funds available specifically to support decentralization programs. We provide an additional three and a half million dollars to support returns in Kosovo. On May 13, the United States pledged \$1 million to a UNESCO effort to protect all of Kosovo's religious and historical sites, including especially Serb sites, to ensure the preservation of Kosovo's rich cultural and ethnic heritage.

The economy is a significant challenge for all the people of Kosovo, where unemployment runs at 60 percent or higher. Huge swaths of the economy are outside of formal structures, making them ripe targets for corruption and organized criminal activities. Investment and development are constrained by unreliable basic services that we take for granted, like electricity and telephone systems. Large and inefficient state enterprises are still not privatized and foreign investors are waiting for greater political clarity and decisions on Kosovo's sovereignty before investing. The UN, after much delay, promulgated rules on eminent domain and land tenure that will allow privatization and other essential economic programs to move forward. With its status unresolved, however, Kosovo is not eligible for the IMF or World Bank assistance that it so urgently needs to develop a stable economy.

Kosovo's unresolved status hampers not only the economy, but further progress on its core goals. Many displaced Serbs are unwilling to return to their homes until there is clarity about Kosovo's future status. Kosovo's Albanian population also will not wait idly by while Kosovo's status remains unresolved. As I've said, the status quo is neither sustainable nor desirable for all involved, including the United States – we have 1800 American troops assigned

to the NATO-led KFOR and a UN mission that cost us \$74 million last year. By defining a political framework for Kosovo's future, we believe more rapid progress can be made in building a stable, democratic, multi-ethnic and market-oriented Kosovo.

The Way Forward

Earlier, I characterized 2005 as a year of decision for Kosovo. In November 2003, my predecessor, Marc Grossman, laid out to the region a comprehensive strategy to move us beyond rote repetition of the UN-crafted slogan "standards before status." He outlined a process of regular reviews of progress on the standards, leading to a comprehensive review of progress in mid-2005. A sufficiently positive review would then lead to a process to resolve Kosovo's status. The UN Security Council endorsed this approach in a December 2003 Presidential Statement. Regardless of when we launch a status process, the work of Kosovo's leadership on the standards will continue. Further implementation of the standards is essential for all the people of Kosovo to live in the kind of society they deserve, and for Kosovo to meet the rigorous criteria for Euro-Atlantic integration. As my good friend, Ambassador Kai Eide of Norway, noted in his excellent report to UN Secretary General Annan last year, we are effectively moving to an approach of "standards with status."

We have been working actively with our fellow members of the Contact Group -- the EU, France, Germany, Italy, Russia and the United Kingdom – to implement our vision for Kosovo. Together, the Contact Group brings significant political and diplomatic weight to bear on the issue. We regularly visit the region and meet on both sides of the Atlantic to plan the way forward. Ten years ago, the Balkans were a source of significant trans-Atlantic tension, but today the Balkans are one of the areas were we cooperate most effectively. I expect that the Contact Group will continue its activity on Kosovo and look forward to future meetings with my counterparts to advance our policy.

When I met with my Contact Group counterparts in London last month, I found unanimous agreement to move forward with the comprehensive review this summer. The UN Secretary General will appoint a person to conduct the review, we hope shortly after Mr. Jessen-Petersen's appearance at the Security Council on May 27. The Contact Group strongly endorsed Kai Eide for the job. The review will look not only at the technical fulfillment of the standards, but also at the larger political issues. It will be based on information from a wide range of sources, including visits to the region and discussion with key international actors in Kosovo. We expect it will take six to eight weeks to complete the review and several more weeks to draft the report, which we hope can be completed by late summer. While the result of the review is not a foregone conclusion, we are hopeful that Kosovo is on course to a positive review. Mr. Jessen-Petersen noted in recent reports to the Security Council this positive trend overall on standards implementation, but also that more work remains to be done, particularly on implementing the first stages of decentralization.

We expect the Contact Group and the UN to meet this fall to consider the results of the comprehensive review and to decide whether to launch a political process to determine Kosovo's final status. If the result of the review is sufficiently positive, the United States will advocate a swift launch of status talks. We believe a senior European political figure, appointed by the UN in consultation with the Contact Group, should lead the process. While some names have been mentioned, the United States has not yet decided to endorse a specific candidate. I have told the Contact Group that the U.S. will offer a senior American diplomat to serve as deputy to the status envoy and Secretary Rice is currently considering possible candidates for this role.

The exact shape of a status process remains undefined, in part to allow the envoy the flexibility to create a format that he or she believes will promote the most success. However, the Contact Group has already identified three essential elements for Belgrade and Pristina: status talks will involve dialogue between Belgrade and Pristina; Kosovo's Serbs and other minority communities will have a role in the process; and all parties are expected to refrain from obstructing the process.

The negotiations will be difficult. Passions run high on both sides and opening positions are likely to be diametrically opposed. Kosovo's Albanians continue to demand immediate and unconditional independence without any discussion of the modalities. Belgrade has a slogan of "more than autonomy, but less than independence" but has yet to define what that means. Think tanks and non-governmental organizations such as the International Crisis Group and the International Commission on the Balkans have placed ideas on the table, often advocating some type of phased and conditioned approach to eventual independence for Kosovo.

In order to preserve our role as facilitators of a negotiated solution, the United States and our partners in the Contact Group have not advocated any specific outcome for status talks, but we have identified some basic principles that should guide a settlement of Kosovo's final status. We ruled out a return to the situation before March 1999 and made clear that Kosovo's final status must enhance regional stability and contribute to the Euro-Atlantic integration of the Balkans. Accordingly, Kosovo's final status must:

- -- Be based on multi-ethnicity with full respect for human rights including the right of all refugees and displaced persons to return to their homes in safety;
 - -- Offer effective constitutional guarantees to ensure the protection of minorities;
 - -- Include specific safeguards for the protection of cultural and religious heritage; and
 - -- Promote effective mechanisms for fighting organized crime and terrorism.

Additionally, the Contact Group told the parties that we believe that Kosovo's final status must:

- -- Not be decided by any party unilaterally or result from the use of force:
- -- Not change the boundaries of the current territory of Kosovo, either through partition or through a new union of Kosovo with any country or part of any country after the resolution of Kosovo's status;
 - -- Fully respect the territorial integrity of all other states in the region;
- -- Ensure that Kosovo continues to develop in a sustainable way both politically and economically; and
- -- Ensure that Kosovo does not pose a military or security threat to its neighbors. We also made clear that we expect that the international civilian and military presences would continue in place past a status settlement to ensure its full implementation and to monitor the political and security situations for Kosovo's minorities. We are discussing with our friends in the European Union placing an EU focus on the international efforts following a status settlement, even while the United States remains an active partner in Kosovo and throughout the region. We have invested too much and have too important a stake in the success of Kosovo and the region and in our partnership with Europe to do otherwise.

Once agreement has been reached on Kosovo's final status, we would expect to return to the UN Security Council to seek a new resolution that moves us beyond 1244 and endorses the main results of the status talks. While we have not set a specific timetable for the process, we would hope to be able to bring a settlement to the Security Council sometime before the end of next year.

The Role of Belgrade

Belgrade's role in this process must be one of continued constructive engagement. Any undue delay or obstruction would require us to reevaluate Belgrade's role. We call on Belgrade to support Kosovo's Serbs taking their seats in the Assembly and resuming participation in Kosovo's institutions and political life, ending their Belgrade-imposed isolation. Kosovo Serbs should have a direct voice in decisions that affect their daily life. We welcome the resumption of the Belgrade-Pristina technical dialogue on missing persons, returns and other issues. These humanitarian concerns should not be hostage to politics. Serbian President Tadic offered to meet with President Rugova and we continue efforts to facilitate such a meeting, but stress that Belgrade should not see it as a way to circumvent status discussions.

Whatever Kosovo's final status, Belgrade will have to accept some change from the pre-1999 situation. The process to decide Kosovo's final status also affords us an opportunity to help Serbia move back into the European mainstream where it belongs. For over 15 years, first under the despotic rule of Slobodan Milosevic and then handicapped by his legacy, Serbia could not serve as a constructive agent for regional growth and stability. Kosovo is a burden weighing Serbia down.

Serbia and Montenegro wants to be part of Europe as President Marovic made clear when he said, "Our goal is to join the process for integration into the European Union as soon as possible as well as the Partnership for Peace....Serbia and Montenegro will not let this chance for a European future go by." And indeed, Europe wants to welcome Serbia and Montenegro back into the fold. At the 2003 Thessaloniki Summit, EU leaders stated that they would welcome all the states of the Balkans as future EU members. Italian Foreign Minister Fini said recently, "Forging a common identity and outlook for the Balkans is a responsibility that Europe must accept if it wishes to measure up to its historic mission: that of offering continuous prospects for peace, prosperity and stability to the peoples of the entire continent." We support this reconciliation between Europe and Serbia and Montenegro and will do what we can to facilitate its success.

We have been explicit with Belgrade; constructive engagement in the Kosovo status process, full cooperation with the ICTY (especially in the apprehension and transfer to The Hague of Ratko Mladic and Radovan Karadzic), a continued cooperative attitude toward the state union with Montenegro, and a constructive regional role, notably in Bosnia, would help clear the path to EU and NATO membership. How fast Belgrade moves down that path depends entirely on how well it cooperates in these areas. Recent signs are encouraging: Belgrade has taken steps to effect the transfer of twelve indictees this year to the Hague, opening the way for the European Union to announce its willingness to pursue a Stabilization and Association Agreement as part of Serbia and Montenegro's preparations to apply for European Union membership. We hope that these positive steps continue, particularly in relation to Belgrade's efforts to locate and arrest Ratko Mladic.

Let me be clear, we are not rewarding Belgrade for doing what it should do in these areas. Rather, we are trying to define for government leaders in Belgrade what the international community expects from them and to show them the tangible benefits and opportunities that await them as they move forward towards the EU and NATO. We are examining what NATO can offer in this area, but we remain firm that Belgrade cannot join the Partnership for Peace until Ratko Mladic is in The Hague. However, we believe that the possibility of closer relations with the EU will be the bigger prize for the Serbian body politic. Therefore, we are encouraging

our European partners to develop a bold and creative package that translates the benefits of advancing toward EU membership into terms understandable to the average person in Serbia.

Conclusion

Mr. Chairman, members of the committee, after the fall of the Berlin Wall, many in Europe believed that Yugoslavia would lead the former communist countries down the path of reform and would be the first to join the EU. The murderous policies of Milosevic and others prevented that and instead created Europe's most divisive conflicts and worst human rights abuses since the Second World War. We have an opportunity this year to move past the legacy of the last 15 years and accelerate the integration of the Balkans into the great Trans-Atlantic community. Working closely with our Allies and the people of the region, we will help write a new chapter to a story that began with the breakup of Yugoslavia and a series of tragic wars – wars that ended only after the collective action of the world's greatest alliance – NATO. A Kosovo solution coupled with a commitment to active engagement with a Serbia that fulfills its international obligations will move us closer to President Bush's vision of a Europe whole, free and at peace – the great strategic objective of our policy in Europe.